

**VOLUNTARY CLEANUP CONTRACT
07-5712-RP**

**IN THE MATTER OF
Castlebridge Properties, 200 And 280 National Avenue,
Spartanburg County
and
Castlebridge Properties LLC**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Castlebridge Properties LLC pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. § 44-56-710, et seq. (2002 and Supp. 2005), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C., §§ 9601, et seq., and the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. § 44-56-200 (2002), with respect to contiguous properties located at 200 and 280 National Avenue, Spartanburg, South Carolina. The property includes approximately 21.14 acres and is bounded generally by New Cut Road to the south, National Avenue to the east, a manufacturing plant known as "Pinnacle Coating" to the west and the Southern Railway right-of-way to the north. The Property is composed of two parcels: 200 National Avenue, 12.14 acres identified by Tax Map Number 2-54-00-008.00; and 280 National Avenue, 9.0 acres identified by Tax Map Number 2-54-00-008.01. A legal description of the property is attached to this Contract as Appendix A.

1. Unless otherwise expressly provided, terms used in this Contract shall have the meaning assigned to them in CERCLA, 42 U.S.C., §§ 9601, et seq., pursuant to the HWMA, S.C. Code Ann. § 44-56-200 (2002), including any amendments, or in the regulations promulgated thereunder.

- A. Castlebridge shall mean Castlebridge Properties LLC.
- B. "Contract" shall mean this Voluntary Cleanup Contract.
- C. "Department" shall mean the South Carolina Department of Health and Environmental Control or a successor agency of the State of

South Carolina that has responsibility for and jurisdiction over the subject matter of this contract

- D. "Hazardous Substance" means (A) any substance designated pursuant to section 311(b)(2)(A) of the Federal Water Pollution Control Act [33 U.S.C. 1321(b)(2)(A)], (B) any element, compound, mixture, solution, or substance designated pursuant to section 9602 of this title, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act [42 U.S.C. 6921] (but not including any waste the regulation of which under the Solid Waste Disposal Act [42 U.S.C. 6901 et seq.] has been suspended by Act of Congress), (D) any toxic pollutant listed under section 307(a) of the Federal Water Pollution Control Act [33 U.S.C. 1317(a)], (E) any hazardous air pollutant listed under section 112 of the Clean Air Act [42 U.S.C. 7412], and (F) any imminently hazardous chemical substance or mixture with respect to which the Administrator has taken action pursuant to section 7 of the Toxic Substances Control Act [15 U.S.C. 2606]. The term does not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of this paragraph, and the term does not include natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).
- E. "Oversight Costs" shall mean those costs, both direct and indirect, incurred by the Department in implementing the Voluntary Cleanup Program as related to this Contract and any future amendments thereto.
- F. "Pollutant or Contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure,

ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of paragraph (14) of CERCLA, Section 101, 42 U.S.C. Section 9601, et seq. and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.

- G. "Property" shall mean property as described in the legal description attached as Appendix A, and that is subject to ownership, prospective ownership, or possessory or contractual interest of Castlebridge.
- H. "Response Action" shall mean any assessment, cleanup, inspection, or closure of a site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.
- I. "Responsible Party" shall mean:
 - a. The owner and operator of a vessel, as defined in CERCLA Section 101 (28), or a facility;
 - b. Any person who, at the time of disposal of any hazardous substance, owned or operated any facility at which such hazardous substances were disposed of;
 - c. Any person who, by contract, settlement, or otherwise, arranged for disposal or treatment or arranged with a transporter for transport for disposal or treatment of hazardous substances owned or possessed by such person, by any other party or entity, at any facility or incineration vessel owned or operated by such a party

or entity and containing such hazardous substances;
and/or

- d. Any person who accepts or accepted any hazardous substances for transport to disposal or treatment facilities, incineration vessels, as defined in CERCLA Section 101 (38), or sites selected by such person from which there is a release, or a threatened release that causes the incurrence of response costs, of a hazardous substance.
- I. "The Site" shall mean all areas where a contaminant has been released, deposited, stored, disposed of, placed, or otherwise comes to be located; "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA Section 101 (28).
- J. "Voluntary Cleanup" shall mean a response action taken under and in compliance with the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. § 44-56-710, et seq. (2002 and Supp. 2005).
- K. "Work Plan" shall mean the plan for additional response actions to be conducted at the Site as described in Paragraph 5 of this Contract.

2. Based on the information known by or provided to the Department, the following findings are asserted for purposes of this Contract:

- A. The property consists of two contiguous parcels, each of which contains one manufacturing building of approximately 147,000 square feet. Ownership of the property since it was initially developed have been as follows:

Jonathan Logan Company	Mar. 1971-Oct. 1989
United Merchants and Manufacturing	Oct. 1989-Oct. 1995
J& A Development LLC	Oct. 1995- Feb. 2000
National Drive LLC	Feb. 2000-June 2004

- B. The Jonathan Logan Company constructed the building at 200 National Avenue in 1971 and the building at 280 National Avenue in 1973. Reportedly, the company only engaged in "cut and sew" textile operations at these locations, and was possibly operating under the trade name "Butte Knits".
- C. The National Lock Company occupied the building at 200 National from 1983 to 1985. National Lock manufactured cabinet and door hardware and used a metal plating operation. Plating fluids were reportedly stored in an aboveground 6,000-gallon tank (one of two still on the site), and wastewaters were piped through a large, plastic settling tank on the northwest corner of the property. A concrete weir remains on the property near the area where the plastic tank discharge to the municipal sewer system.
- D. United Merchants and Manufacturing acquired the Jonathan Logan Company via a forced merger in 1984 and continued sewing room operations on the property until 1989 under the trade names of "Butte Knit", "Act II", and "Jonathan Logan". It is not reported whether the United Merchants operation occupied both buildings or continued in the 280 National Drive Building.
- E. The property has been leased to the Goodyear Tire Company since 1989 for use as a warehouse and distribution center.
- F. Soil and Groundwater samples were collected from one soil sample location and two groundwater direct-push locations on the 200 National Avenue parcel on October 21, 2006. A third groundwater sample was

attempted in the vicinity of the concrete weir but encountered bedrock at depths of seven feet. The Soil sample contained trace levels of Tetrachlorethylene (PCE), Trichloroethylene (TCE) and Dichloroethylene (DCE) in the soil sample. The Groundwater samples found similar constituents with the maximum reported levels being 340 ppb PCE, 98 ppb TCE and 66 ppb DCE.

G. Castlebridge intends to assess and remediate the contamination to facilitate sale of the property.

3. Castlebridge agrees to submit to the Department for review and written approval within forty-five (45) days of the execution date of this Contract a Work Plan for the Site that is consistent with the technical intent of the National Contingency Plan. The Work Plan shall be implemented upon written approval from the Department. The Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the analytical laboratory certified by the Department, and Castlebridge's contact person for matters relating to this contract. Castlebridge will notify the Department in writing of changes in the contractor or laboratory. The Department will review the Work Plan and will notify Castlebridge in writing of any deficiencies in the Work Plan, and Castlebridge shall respond in writing within thirty (30) days to the Department's comments. The Work Plan and all associated reports shall be prepared in accordance with industry standards and endorsed by a Professional Engineer (P.E.) and/or Professional Geologist (P.G.) duly-licensed in South Carolina and shall set forth methods and schedules for accomplishing the following tasks:

- A. Conduct a Remedial Investigation (RI) to determine the source, nature, and extent of contamination at the Site
- B. Submit to the Department an RI Report (to include a Baseline Risk Assessment or other evaluation of risk to human health and the environment) in accordance with the schedule in the approved RI Work

Plan. Within a reasonable period of time, the Department shall review the report for determination of completion of the RI and sufficiency of the documentation. If the Department determines that the field investigation is not complete, it will send written notification of such to Castlebridge, and Castlebridge shall subsequently conduct additional field investigation to further determine the source, nature, and extent of contamination. If the Department determines that the field investigation is complete but the report is incomplete, the Department shall send to Castlebridge a letter indicating that revision of the report is necessary. Within thirty (30) days of receipt of such letter from the Department, Castlebridge shall submit a revised report addressing the Department's comments.

C. If determined necessary by the Department, conduct a Feasibility Study to evaluate remedial alternatives for addressing contamination at the Site.

4. ~~Castlebridge shall prepare and submit under separate cover from the Work Plan, a Health and Safety Plan~~ that is consistent with Occupational Safety and Health Administration regulations. Castlebridge agrees that the Health and Safety plan is submitted for informational purposes only to the Department and any liability that may result from implementation of the Health and Safety Plan shall rest solely with Castlebridge.

5. Castlebridge shall inform the Department at least five (5) working days in advance of all field activities pursuant to this Contract and shall allow the Department and its authorized representatives, if so desired, to take duplicates of any samples collected by Castlebridge pursuant to this Contract.

6. Within forty-five days of the execution date of this Contract and once a month thereafter, Castlebridge shall ~~submit to the Department~~ a written progress report that must include the following: (a) actions taken under this Contract during the previous reporting

actions scheduled to be taken in the next reporting period; (c) sampling, test results, and any other data, in summary form, generated during the previous reporting period, whether generated pursuant to this Contract or not; and (d) a description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.

7. All correspondence which may or are required or permitted to be given by either party to the other hereunder shall be in writing and deemed sufficiently given if delivered by (i) regular U.S. mail, (ii) certified or registered mail, postage prepaid, return receipt requested, (iii) or nationally recognized overnight delivery service company or by hand delivery to the other party at the address shown below or at such place or to such agent as the parties may from time to time designate in writing.

All correspondence, work plans, and reports (including four copies of all work plans and reports, and one copy of the Health and Safety Plan) should be submitted to:

For the Department
R. Gary Stewart, PE
Bureau of Land and Waste Management
2600 Bull Street
Columbia, South Carolina 29201

For Castlebridge
Tom Morgan
Castlebridge Properties LLC
PO Box 128 Hazelwood NC 28738

8. Upon execution of this Contract, the Department will seek public participation in accordance with S.C. Code Ann. § 44-56-740 (2002) and the technical intent of the National Contingency Plan. Costs associated with public participation, [e.g., public notices(s), building and equipment rental(s) for public meetings, etc.] will be paid by

Castlebridge.

9. As provided for by S.C. Code Ann. § 44-56-740(B) (2002) and S.C. Code Ann. § 44-56-200 (2002), Castlebridge shall, on a quarterly basis, reimburse the Department for oversight costs of activities required under this Contract. Oversight costs include but are not limited to the direct and indirect costs of negotiating the terms of this Contract, reviewing Work Plans and reports, supervising corresponding work, and public participation. Payments will be due within thirty (30) days of receipt of the Department's invoice. Invoices shall be submitted to:

Tom Morgan
Castlebridge Properties LLC
PO Box 128 Hazelwood NC 28738

10. The terms and conditions of this Contract apply to and shall inure to the benefit of each signatory and its parents, successors, assigns, and subsidiaries, and upon the Department.

11. Subject to the provisions of Paragraph 16 of this Contract, nothing in this Contract is intended to be, or shall be construed as, a release or covenant not to sue for any claim or cause of action, past or future, that the Department may have against any person, firm, or corporation not a signatory of this Contract or a signatory's parent, successor, assign, or subsidiary.

12. Nothing in this Contract is intended to limit the right of the Department to undertake future response actions at the Site or to seek to compel parties to perform or pay for response actions at the Site. Nothing in this Contract shall in any way restrict or limit the nature or scope of response actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

13. Subject to the provisions of Paragraph 16, nothing in this Contract is intended to be

or shall be construed as a release or covenant not to sue for any claim or cause of action that the Department may have against Castlebridge for any matter not expressly included in this Contract.

14. The Department, its authorized officers, employees, representatives, and all other persons performing response actions will not be denied access to the Site during normal business hours or at any time work under this Contract is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law). Castlebridge and subsequent owners of the Property shall ensure that a copy of this Contract is provided to any lessee or successor or other transferee of the property, and to any owner of other property that is included in the Site.

15. If hazardous substances in excess of residential standards exist at the Property after Castlebridge has completed the actions required under this Contract, Castlebridge shall enter and file a restrictive covenant. Upon the Department's approval of the items outlined therein, the restrictive covenant shall be signed by the Department and representatives of Castlebridge and witnessed, signed, and sealed by a notary public. Castlebridge shall file this restrictive covenant with the Register of or Deeds in Spartanburg County. The signed covenant shall be incorporated into this contract as an Appendix. With the approval of the Department, the restrictive covenant may be modified in the future if additional remedial activities are carried out which meet appropriate clean up standards at that time or circumstances change such that the restrictive covenant would no longer be applicable. The Department may require Castlebridge or subsequent owners of the Property to modify the restrictive covenant if a significant change in law or circumstances requiring remediation occurs. Castlebridge or subsequent owners of the Property shall file an annual report with the Department by May 31st of each year detailing the current land uses and compliance with the restrictive covenants for as long as the restrictive covenant remains in effect on the Property. The report may be submitted in a manner prescribed by the Department.

16. Upon successful completion of the terms of this Contract and the approved Work Plan as referenced in Paragraph 4 and 15 above, Castlebridge shall submit to the Department a written notice of completion. Once the Department determines satisfactory completion of the Contract terms, the Department, pursuant to S.C. Code Ann. § 44-56-740(B)(1) (2002), will give Castlebridge a Certificate of Completion that provides a covenant not to sue Castlebridge, its parents, successors, subsidiaries, or assigns for the matters satisfactorily completed and specifically covered in this Contract. In consideration of the Department's covenant not to sue, Castlebridge its parents, successors, assigns, and subsidiaries agree not to assert any claims or causes of action against the Department arising out of activities undertaken at the Site or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site, except for those claims or causes of action resulting from the Department's intentional or grossly negligent acts or omissions.

17. Castlebridge or subsequent owners of the Site and the Department each reserve the right to unilaterally terminate this Contract. Termination may be accomplished by giving a thirty (30) day advance written notice of the election to terminate this Contract to the other party. Should Castlebridge or subsequent owners of the Site elect to terminate, it must submit to the Department all data generated pursuant to this Contract, and certify to the Department's satisfaction that any environmental or physical hazard shall be stabilized and/or mitigated such that the Site does not pose a hazard to human health or the environment that did not exist prior to any initial response action addressing contamination identified in this Contract.

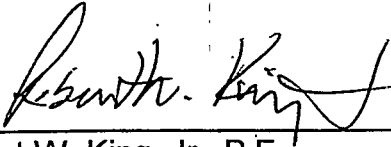
18. The Department may terminate this Contract only for cause, which may include but is not limited to the following: (a) events or circumstances at the Site that are inconsistent with the terms and conditions of this Contract; (b) failure to complete the terms of this Contract or the Work Plan; (c) failure to submit timely payment for oversight costs as defined in Paragraph 9 above, or (d) additional contamination or releases or consequences at the Site caused by Castlebridge its parents, successors, assigns, and subsidiaries; (e)

providing the Department with false or incomplete information or knowing failure to disclose information; or (f) change in Castlebridge's or its parents', successors', assigns', and subsidiaries' business activities on the Property or use of the Property that are inconsistent with the terms and conditions of this Contract.

19. Upon termination of the Contract, the covenant not to sue will be null and void.

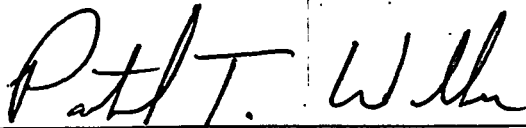
20. The signatories below hereby represent that they are authorized to and to enter into this contract on behalf of their respective parties.

THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL
CONTROL

BY: 

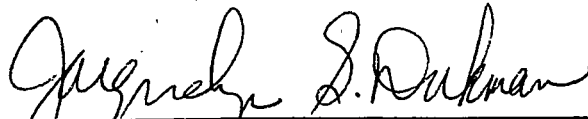
Robert W. King, Jr., P.E.
Deputy Commissioner
Environmental Quality Control

DATE: 6/22/07
Columbia, South Carolina



Patrick T. (Pat) Walker, Chief
Bureau of Land and Waste Management

DATE: 6/21/07


Approved by Office of General Counsel

DATE: June 12, 2007

CASTLEBRIDGE PROPERTIES LLC

Thomas R. Morgan
Signature

DATE: 5-30-2007

THOMAS R. MORGAN MANAGER
Printed Name and Title

APPENDIX A
